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General Purchasing Terms

P REG PEW EX30 001E

Expiry date:	31.12.2020	Approved by (Quality management):	Chrasciel Matthias
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1 OBJECTIVE AND PURPOSE

This management guideline describes the General Purchasing Terms of Andritz Fiedler GmbH.

2 SCOPE

Suppliers to Andritz Fiedler GmbH

3 OTHER APPLICABLE DOCUMENTS

4 DEFINITIONS AND ABBREVIATIONS

5 PREPARATION AND USE OF THE DOCUMENT

When preparing the document, ensure that the purchasing terms conform to the regulations of the Andritz Group.

Orders submitted by Andritz Fiedler GmbH always conform to the principles of the purchasing terms. Suppliers will have access to the currently valid purchasing terms.

Any supplementary documents (ASAP, contract templates, etc.) must be maintained to conform to this controlled document.

6 WORDING

The wording of the purchasing terms follows. If this document is opened in Microsoft Word, the format of the next page allows it to be printed on Andritz Fiedler company paper



7 GENERAL PURCHASING TERMS OF ANDRITZ FIEDLER GMBH

7.1 GENERAL SCOPE

Our purchasing terms apply exclusively; we do not recognize any supplier purchasing terms that are in conflict with or deviate from our purchasing terms, unless we expressly agreed in writing to their applicability. Our purchasing terms apply even if we accept the supplier's delivery without any reservations while being aware of conflicting or deviating supplier purchasing terms. All terms that we and the supplier agree upon regarding the execution of this contract shall be included in this contract in writing. Our purchasing terms apply also to all future business transactions with the supplier.

7.2 ANDRITZ SUPPLIER CODEX

The supplier herewith confirms that:

- He has received and read a copy of the Andritz Supplier Code of Conduct and Ethics ("Supplier Code"), which is published on the ANDRITZ web site at www.andritz.com
- he undertakes to comply with the Supplier Code and agrees that it shall form the basis of present and future business with ANDRITZ (ANDRITZ AG and its affiliates)
- this Supplier Code shall form part of any agreement entered into between the supplier and any ANDRITZ company, regardless of whether it is expressly incorporated into the contract by reference or not
- he shall be held responsible for ensuring compliance with the Supplier Code by his employees, company representatives, as well as subcontractors and any business partners that the supplier is using to supply products and/or services when doing business with ANDRITZ
- ANDRITZ reserves the right to terminate the business relationship or contract in the event of a major breach of the rules laid down in the Supplier Code. The supplier will hold harmless and indemnify ANDRITZ from and against damages arising out of a breach of the Supplier Code

7.3 PLACING OF ORDERS

Only orders and agreements submitted on our order forms with a valid signature and confirmed by the supplier within a period of two weeks are binding for us. Any changes to the order must be submitted in writing. The order may not be assigned to a third party without our consent. Product changes or conversions in the supplier's production that lead to changes in specifications, drawings or quality standards, or that have other impacts on the operational safety and functionality of Andritz Fiedler products are only permitted with our prior written consent.

7.4 DELIVERY AND SERVICE DEADLINES

Delivery takes place at the times we specify in the orders, individual release orders or delivery schedules that are considered an integral part of our orders. The delivery times also become binding if the supplier does not object to our release order within 7 days. In the event of a delayed, defect-free delivery, we have the right, following the expiration of a reasonable grace period, to request a subsequent delivery or compensation for damages based on the failure to perform, or to withdraw from the contract. Acceptance of a delayed delivery or service does not constitute a waiver of subsequent claims resulting from the delayed delivery. If the delayed delivery was not caused by the supplier, we shall have the option to withdraw from the contract without granting a grace period, if so required by an urgently needed delivery caused by deadlines on our side and if this was indicated in the respective order (business to be settled on a fixed date). The supplier must notify us ahead of time about foreseeable delivery delays. In case of force majeure, regardless whether it occurs to us or to our customers, which makes the fulfillment of our contractual obligations impossible or near impossible, these obligations under the contract are delayed by the duration/impact of the force majeure event. The sold merchandise must be kept in storage for us free-of-charge up to the time when it is shipped.

7.5 CONTRACTUAL PENALTY

In case of a delayed delivery, we are entitled to a contractual penalty of 1% per week up to a maximum of 5% of the value of the delayed part of the delivery or service without having to expressly reserve our claim to the contractual penalty at delivery. The acceptance of a delayed delivery or service does not waive the contractual penalty. We undertake, however, to declare our reservation to the supplier no later than 10 working days after receiving the delayed delivery.



7.6 PAYMENT TERMS AND PAYMENT SCHEDULES

In the event of continuous deliveries, we are entitled to combine payments at the end of each week, respectively, even if every delivery is paired with a separate invoice and regardless of any special regulations, without losing the right to a price reduction based on an agreed discount. Invoices to be paid at the aforementioned dates must be received by us no later than 10 days before the payment date. The payment of the invoices, with any applicable agreed discount, takes place after the delivery or service is provided and the invoice is received (invoice must be received in duplicate and must contain the order number, the order position, all order data and the shipping information). Invoices cannot be processed if any of the aforementioned information is not provided; the supplier is responsible for all consequences resulting from failure to adhere to these obligations. Subject to existing special contractual terms, payment is remitted using a method of our choosing either within 14 days with a 3% discount, 30 days with a 2% discount or 90 days net after the invoice is received. We are entitled to offset your receivables against all of our receivables and those of Andritz Fiedler GmbH. Assignments to third parties are only permissible with our written consent. Consent must not be withheld without reasonable cause. We reserve the right to make payments in the form of checks, bills of exchange or acceptances by compensating for the respective discount rate, but no more than 0.5% above the applicable discount rate of the German Bundesbank on the due date. Any potential currency risk is borne by the seller.

7.7 RECEIVING INSPECTION, QUALITY ASSURANCE

For quantities, measurements, weight and quality of a delivery, the values determined by us on the day we take delivery are decisive. The delivery is accepted subject to an inspection regarding accuracy and functionality and is generally based on Andritz Fiedler's quality requirements. Our quality assurance personnel and domestic and international authorities, who are responsible for the safety of the delivery items, have the right to inspect the quality of the material and/or the production process of the delivery items at the supplier's facilities during business hours. Payment of the purchase price does not constitute an acceptance that the delivery was provided without defects and as specified. The supplier is obligated to comply with good engineering practice, security regulations and technical specifications required for the respective delivery and to continuously inspect the quality of his products.

7.8 INSPECTION FOR DEFECTS

We are obligated to inspect the goods for quality or quantity deviations within a reasonable period of time; the complaint is considered to have been lodged in due time, if the supplier receives it within a period of ten business days from receipt of the delivery.

7.9 FREIGHT, PACKAGING, INSURANCE AND RISK TRANSFER

Items are delivered free-of-charge to our facilities, including packaging and freight, unless otherwise agreed in writing. The shipping risk is generally borne by the supplier.

7.10 WARRANTY

We are fully entitled to all legally stipulated warranty claims; regardless of this, we have the right to request remedy of defects or a replacement delivery from the supplier at our discretion. In this case, the supplier is obligated to take all actions necessary to remedy defects in the shortest time possible. In case of imminent danger or special urgency, we are authorized to perform the remedial work at the expense of the supplier without detracting from any additional warranty claims. The right to claims for damages, particularly to claims for damages due to failure to perform remains explicitly reserved. The warranty period is 24 months starting from when the risk transfers. If the material is provided by us or procured from third parties, the supplier is obligated to inspect the provided material with respect to its suitability and potential defects. If the supplier provides replacement delivery or remedies a defect, the warranty obligation restarts. The acceptance or consent to presented drawings does not constitute a waiver of warranty claims. In case of construction contracts, the warranty period is 5 years, contrary to the provisions set forth by the German Construction Contract Procedures (VOB). The supplier takes responsibility for compliance with the accident prevention regulations or the safety recommendations issued by professional associations, the occupational safety and health inspectorate or similar authorities.



7.11 RESERVATION OF TITLE/PROVISION OF MATERIALS/TOOLS/PARTS DEVELOPED BY ANDRITZ FIEDLER

Manufacturing aids such as models, samples, tools, gauges, drawings and similar items, which were provided by us to the supplier or were produced by the supplier according to our specifications and at our cost, as well as material and tools provided to the supplier for processing free-of-charge as part of an order or commission, shall remain our property and must not be distributed to third parties or released for any other use or be used for the benefit of third parties without our written consent. If our reserved goods are processed with other items, which are not our property, we shall acquire co-ownership in the new product proportionate to the value of our goods compared to the other processed items at the time of processing. If the items provided by us are mixed with other items, which are not our property, such that they can no longer be separated, we shall acquire co-ownership in the new product proportionate to the value of our reserved items compared to the other mixed items at the time of mixing. If the mixing takes place such that the supplier's items form the main part, it shall be considered agreed that the supplier transfers to us a prorated co-ownership; the supplier shall protect the co-ownership for us. We reserve title with respect to tools; the supplier is obligated to use the respective tools exclusively for producing the goods we ordered. The supplier is obligated to insure and cover the respective costs for insuring our tools at replacement value against fire, water damage, and theft. The supplier is obligated to duly perform the respectively required maintenance work or inspections and cover the respective costs. The supplier must immediately report any incidents; if the supplier culpably fails to report an incident, the claims for damages shall remain unaffected. The supplier may sell delivery items that were developed by or for Andritz Fiedler only to Andritz Fiedler. A direct delivery to Andritz Fiedler retailers or to third parties is generally excluded. Furthermore, the supplier undertakes not to offer such parts in a catalog. In the event these provisions are violated, we are entitled to withdraw from the contract and to request payment of the financial gains the supplier received from the contract violation or compensation for the damages we suffered. The supplier must protect and label our material employing the due care of a diligent businessman and must immediately notify us if a levy of execution has been taken out against the supplier, if a levy of execution is threatened or if our claim is at risk in any other manner. If deviations or visible defects are detected with respect to the provided production aids, e.g. between sample and drawing, the supplier must notify us about this before starting production.

7.12 CONFIDENTIALITY

The supplier is obligated to keep our orders and any pertaining details, particularly all images, drawings, calculations and other documentation and information he received strictly confidential. The supplier must not use the existence of our business relationship for advertising or public relations purposes. The confidentiality obligation continues to apply beyond the duration of this contract; it shall only expire when the manufacturing knowledge provided in the images, drawings, calculations and other documentation has become part of the public domain.

7.13 PRODUCT LIABILITY

If we receive any claims pertaining to product liability or for other legal reasons, the cause of which is a defect in the delivery or service provided by the supplier, the supplier shall indemnify us against any third-party claims for damages upon our first request - even if the defect is not the supplier's fault, if the reasons for the defect fall under the supplier's sphere of control or organization and if the supplier itself is liable for damages in an external relationship.

7.14 INDUSTRIAL PROPERTY RIGHTS

1. The supplier ensures that no third-party rights within the Federal Republic of Germany are violated in connection with the supplier's delivery.
2. If a third party asserts any claims in this respect, the supplier is obligated to indemnify us against these claims upon our first request; we do not have the right to come to any agreement with third parties without the supplier's consent, in particular with respect to any settlements. The supplier's duty to indemnify relates to all expenses that we incur as a result of or in connection with a third-party claim.



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7.15 DATA PROTECTION

With respect to the personal data we were provided as part of this business relationship, we have the right to process this data within the meaning of the German Data Protection Act.

7.16 PLACE OF PERFORMANCE AND JURISDICTION

The place of performance for deliveries and services, unless otherwise agreed, is the registered office of Andritz Fiedler GmbH. If a construction or assembly site has been named as place of delivery, then this site shall be the place of performance. The place of jurisdiction for both parties is the city of Regensburg. However, we also have the right to bring an action against the supplier at the supplier's local court. This contract is subject to the laws of the Federal Republic of Germany. The regulations of the UN sales convention are excluded

7.17 INDEMNITY AGAINST DAMAGES AND LEGAL ACTION

The supplier declares that the regulations of the minimum pay act are known and they will be in compliance. If we are subjected to any claims due to violations of this law, compliance with which is the responsibility of the supplier, the supplier is obliged to hold us harmless.

7.18 EXPORT CONTROL

The supplier is obliged to announce ANDRITZ Fiedler as soon as possible about any licensing requirements according to each applicable german, european (EU), US-american, export-, customs-, and Foreign Trade Law also as the export-, customs-, and Foreign Trade Law of the country of origin of his goods even before the delivery date in written form.

For this purpose the supplier has to announce the following Information:

The export Control list number pursuant to the german foreign trade regulations or a comparable list item of relevant export lists; the "Export Control Classification Number" in accordance with the „U.S. Commerce Control List" (ECCN), if the goods are subject to U.S. Export Administration Regulations" (EAR); the customs-tarif numbers (HS-/KN-Code); the country of origin (commercial/ non-preferential origin), key for the label of origin: D= third country / E= EU / F = EFTA; (long-term-) supplier declaration to its preferential origin (at the EU suppliers) or certificates to preferences (at the non-EU-suppliers); any other information and data, which are needed from ANDRITZ Fiedler for export and import goods as well as in case of resale, for re-export the goods. The supplier is obliged to inform ANDRITZ Fiedler immediately about all changes of the above information and data in written form.

(2) In the event that the Supplier violates its obligations under paragraph 1, it shall be liable for any expenses and damages or other detriments (for example subsequent demands of foreign duties, fines) incurred by ANDRITZ Fiedler. This shall not apply if the supplier is not responsible for the breach of duty.

7.19 MISCELLANEOUS

If any provision of these purchasing terms is or becomes invalid, this shall not affect the validity of the contract or the remaining provisions. The Incoterms, as amended, apply to all trading clauses. In case of deliveries "ex works", the risk is transferred to the ordering party:

- a) If individually packaged goods are shipped by mail, express or train – when the goods are transferred to the mail or rail company.
- b) If goods are shipped by truck or a freight car – as soon as they have been properly loaded onto the means of transport.



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8 HISTORY

Date	Revision	Edited chapter	Description of changes
11.06.2015	1.0	-	NEW
30.07.2015	2.0	17	Last chapter changed, Export control added
05.10.2015	3.0	7	7.2. Andritz supplier codex
22.12.2015	4.0		Expiry date changed
07.02.2017	5.0		Expiry date changed
04.01.2018	6.0		Expiry date changed
26.10.2018	7.0	all	Changed to new CD
22.10.2019	8.0		Expiry date changed